

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2875 – SB 3586**

May 24, 2010

**SUMMARY OF AMENDMENTS (014768, 017964, 018859, 018875):** Deletes all language of the original bill. Deletes existing definitions associated with automobile clubs and associations. Authorizes the Commissioner of the Department of Commerce and Insurance to grant certificates of authorization to automobile clubs and associations and promulgate rules and regulations. Requires automobile clubs and associations to file annually with the Commissioner, an application for a certificate of authority to continue operation in the state. Requires all applicants to pay a \$20 fee to the Commissioner. Amendment 018859 prohibits any local government from placing or operating a traffic enforcement camera on a highway that is maintained using state funds unless the location for such placement has been adopted by ordinance or resolution provided that the local legislative body hold at least two public hearings on different days. Prohibits traffic citations generated by traffic enforcement cameras from being reported to the Department of Safety or being used by any insurance provider or credit agency. Defines a violation as a non-moving violation, subject only to a fine not to exceed \$50 plus court costs if the person cited chooses to contest the citation. Authorizes an additional penalty to be assessed if a second notice of citation is sent by first class mail. Amendment 018875 requires that any red light surveillance cameras currently operated within the City of Memphis be removed at the time any existing contract expires.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures – Not Significant

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Increase State Revenue – Not Significant**

**Increase State Expenditures – Not Significant**

**Increase Local Revenue – Exceeds \$50,000/Permissive**

**Decrease Local Revenue –**

**Exceeds \$100,000/Recurring/Various Cities**

**Exceeds \$300,000/FY16-17/Memphis**

**Exceeds \$400,000/FY17-18 and Subsequent Years/Memphis**

**Increase Local Expenditures – Not Significant**

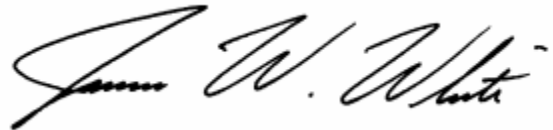
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Assumptions applied to amendments:

- Any increase to state revenue as a result of an increase in applications fees will be not significant.
- The Department of Commerce and Insurance already regulates the automobile club industry. Any increase to state expenditures will be not significant.
- Based on a limited survey, at least three cities currently charge additional costs for violations. Local revenue is estimated to decrease in an amount exceeding \$100,000.
- An increase to local revenue exceeding \$50,000 for additional penalties assessed.
- Any increase to local expenditures associated with holding public hearings or assessing additional penalties will be not significant.
- The City of Memphis has a contract for red light cameras that will expire in September of 2016. Based on information provided by the City of Memphis, removing these cameras will decrease local revenue exceeding \$400,000 per year. In FY16-17 the decrease to local revenue will exceed \$300,000.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/jaw